

EXPRESSWAY SURVEILLANCE PROJECT

PAVE STUDY TO DETERMINE EXPRESSWAY
TRIP LENGTH DISTRIBUTIONS AND OTHER
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GENUINE PRESSBOARD BINDER

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ACCO PRODUCTS, OGDENSBURG, N. Y.
A DIVISION OF NATSER CORPORATION

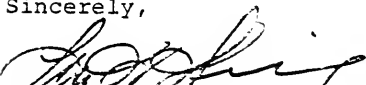
October 31, 1978

To The

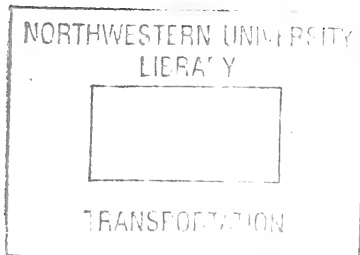
Governor of Illinois
State Comptroller
Speaker of the House
Minority Leader of the House
President of the Senate
Minority Leader of the Senate
Mayor of Chicago
President of the County Board of Cook County
Chairman of the County Board of Lake County
Chairman of the County Board of Will County
Chairman of the County Board of DuPage County
Chairman of the County Board of Kane County
Chairman of the County Board of McHenry County
The Chief Executive Officers of the carriers of the region
And to the people of the region

In accordance with Section 4.05 of the Regional Transportation Authority Act, the Board of the Authority presents its Annual Report for the Fiscal Year ended June 30, 1978.

Sincerely,



Lewis W. Hill
Chairman



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REGIONAL TRANSPORTATION AUTHORITY

FINANCIAL STATEMENTS

AS OF JUNE 30, 1978 AND JUNE 30, 1977

TOGETHER WITH AUDITORS' REPORT

To the Board of Directors of the
Regional Transportation Authority:

We have examined the balance sheet of the REGIONAL TRANSPORTATION AUTHORITY (an Illinois Municipal Corporation) as of June 30, 1978, and June 30, 1977, and the related statements of revenues and expenses, public investment, changes in financial position, and financial assistance to carriers for the years then ended, and the statement of appropriations for the year ended June 30, 1978. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statements of revenues and expenses, public investment, changes in financial position and financial assistance to carriers present fairly the financial position of the Regional Transportation Authority as of June 30, 1978, and June 30, 1977, and the results of its operations and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied during the period, and the statement of appropriations for the year ended June 30, 1978, presents fairly the information set forth therein.

Chicago, Illinois
September 22, 1978



REGIONAL TRANSPORTATION AUTHORITY

BALANCE SHEET AS OF JUNE 30, 1978 AND JUNE 30, 1977

<u>ASSETS</u>	<u>June 30, 1978</u>	<u>June 30, 1977</u>
Fixed Assets:		
Transportation equipment	\$ 65,677,206	\$ 9,598,977
Furniture and equipment	266,730	212,783
Automobiles	22,370	21,620
Less: Accumulated depreciation	(2,649,144)	(431,937)
In-service, net	\$ 63,317,162	\$ 9,401,443
Transportation equipment under construction	16,688,392	--
Total fixed assets	\$ 80,005,554	\$ 9,401,443
Other Assets:		
Cash	\$ 395,050	\$ 192,957
Temporary cash investments, 6.50% to 7.75% and 4.40% to 5.00% at June 30, 1978 and June 30, 1977, respectively, at cost	10,774,573	12,522,000
Segregated temporary cash investments 7.10% to 7.65% and 5.0% at June 30, 1978 and June 30, 1977, respectively, at cost (Note 2)	5,842,427	5,499,000
Accrued revenue from State Public Transportation Fund	20,389,626	14,581,126
Accrued revenue from Public Transportation Tax (Note 2)	14,595,523	--
Accrued revenue from Federal operating assistance grant (Note 4)	1,141,149	12,657,819
Capital contributions receivable	11,286,467	--
Amounts to be provided from future years' revenues to meet obligation under the Emergency Public Transportation Loan Act of 1973 (Note 2)	34,636,496	34,636,496
Other	1,773,964	226,137
Total other assets	\$ 100,835,275	\$ 80,315,535
	<u>\$ 180,840,829</u>	<u>\$ 89,716,978</u>

PUBLIC INVESTMENT AND LIABILITIES

Public Investment:		
Accumulated net revenues -		
Appropriated for specific use (Notes 2 and 4)	\$ 26,018,795	\$ 4,028,593
Invested in fixed assets, net	6,522,375	844,204
Unappropriated and available	(5,207,557)	15,153,542
Contributed capital, net	73,483,177	9,557,239
Unapplied contributions from Federal and State agencies	--	586,616
Total public investment	<u>\$ 100,816,790</u>	<u>\$ 29,170,194</u>

The accompanying notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

BALANCE SHEET AS OF JUNE 30, 1978 AND JUNE 30, 1977

	<u>June 30, 1978</u>	<u>June 30, 1977</u>
<u>LIABILITIES:</u>		
Accrued financial assistance to carriers	\$ 26,375,803	\$ 24,911,627
Accounts payable, accrued expenses and bid deposits	19,011,740	998,661
Obligation assumed under the Emergency Public Transportation Loan Act of 1973 (Note 2)	34,636,496	34,636,496
Total liabilities	\$ <u>80,024,039</u>	\$ <u>60,546,784</u>
	\$ <u>180,840,329</u>	\$ <u>89,716,376</u>

The accompanying notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENSES

<u>REVENUES</u>	<u>Year Ended</u> <u>June 30, 1978</u>	<u>Year Ended</u> <u>June 30, 1977</u>
State Public Transportation Fund:		
Sales taxes	\$110,594,859	\$ 98,838,363
Motor vehicle registration fees	16,162,325	15,601,570
	<u>\$126,757,184</u>	<u>\$114,439,933</u>
Public Transportation Tax	\$ 43,536,133	--
Contributions from City of Chicago and County of Cook (Note 5)	5,000,000	5,000,000
Federal operating assistance grant (Note 4)	49,290,213	49,598,376
Interest income	1,453,419	603,389
Other income	906,882	304,313
Total revenues	<u>\$226,943,831</u>	<u>\$169,346,011</u>
<u>EXPENSES</u>		
Financial assistance to carriers (see accompanying statement)	\$206,992,489	\$168,232,827
Centralized operations	263,050	--
Marketing and transit development	3,193,957	1,658,750
Administration:		
Wages, salaries, and benefits	5,019,479	3,149,013
Professional and technical services	1,279,128	894,889
Office rentals	438,174	428,732
Directors' compensation, excluding Chairman	164,200	168,400
Other administrative expenses	988,198	611,591
Short-term interest expenses	906,645	26,635
Total expenses before depreciation	<u>\$219,245,320</u>	<u>\$175,170,837</u>
Provision for depreciation	2,217,206	423,960
Total expenses	<u>\$221,462,526</u>	<u>\$175,594,797</u>
NET REVENUES (EXPENSES)	<u>\$ 5,481,305</u>	<u>\$ (5,648,786)</u>

The accompanying notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF CHANGES IN FINANCIAL POSITION

<u>SOURCES OF FUNDS:</u>	<u>Year Ended</u> <u>June 30, 1978</u>	<u>Year Ended</u> <u>June 30, 1977</u>
Net revenues per accompanying statement of revenues and expenses	\$ 5,481,305	\$ --
Provision for depreciation not requiring current outlay of funds	2,217,207	423,960
Decrease in accrued revenue from State Public Transportation Fund	--	4,811,995
Increase in contributed capital	66,751,907	8,929,293
Increase in unapplied contributions from Federal and State agencies	--	586,616
Increase in accrued financial assistance to carriers	1,464,176	20,153,496
Increase in accounts payable, accrued expenses and bid deposits	18,013,079	398,118
Decrease in accrued revenue from Federal operating assistance grant	11,516,670	--
Decrease in cash and temporary cash investments	1,201,907	--
Total sources of funds	<u>\$ 106,646,251</u>	<u>\$ 35,303,478</u>

<u>USES OF FUNDS:</u>		
Net expenses per accompanying statement of revenues and expenses	\$ --	\$ 5,648,786
Investment in transportation equipment	72,766,621	9,598,977
Investment in furniture, equipment, and automobiles	54,697	111,427
Increase in cash and temporary cash investments	--	9,439,109
Increase in accrued revenue from State Public Transportation Fund	5,308,500	--
Increase in accrued revenue from Public Transportation Tax	14,595,523	--
Decrease in unapplied contributions from Federal and State agencies	586,616	--
Increase in accrued revenue from Federal operating assistance grant	--	10,299,331
Increase in other assets	1,547,827	205,848
Increase in capital contribution receivable	11,286,467	--
Total uses of funds	<u>\$ 106,646,251</u>	<u>\$ 35,303,478</u>

The accompanying notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY
STATEMENT OF FINANCIAL ASSISTANCE TO CARRIERS

	<u>Year Ended</u> <u>June 30, 1978</u>	<u>Year Ended</u> <u>June 30, 1977</u>
Chicago Transit Authority	\$141,446,504	\$115,415,911
Commuter Railroads		
Burlington Northern, Inc.	7,315,849	5,140,758
Chicago and North Western Transportation Company	9,447,643	10,626,900
Chicago, Milwaukee, St. Paul & Pacific Railroad Company	8,511,482	5,719,292
Chicago, Rock Island and Pacific Railroad Company	8,495,922	7,600,942
Chicago South Shore and South Bend Railroad	565,855	580,359
Illinois Central Gulf Railroad Company	14,627,973	11,592,142
Norfolk and Western Railway Company	475,930	393,070
	<u>\$ 49,440,654</u>	<u>\$ 41,653,463</u>
Suburban Bus Systems		
Airporter, Inc.	\$ 221,630	\$ --
City of Aurora	584,606	420,778
Village of Bellwood	41,911	--
Village of Bensenville	56,802	--
Village of Bolingbrook	63,804	38,330
Continental Air Transport Co., Inc.	14,302	--
City of Elgin	482,977	387,086
City of Elmhurst	75,770	54,593
City of Evanston	857,467	795,250
Village of Glendale Heights	37,815	29,301
Village of Glen Ellyn	32,803	24,395
City of Highland Park	254,228	121,626
Village of Homewood	37,009	130,171
Joliet Mass Transit District	1,192,732	862,378
Village of Lombard	--	(4,050)
City of Naperville	158,911	102,210
Village of Niles	52,097	45,231
Village of Northbrook	18,714	23,152
North Suburban Transit Services	20,254	--
North Suburban Mass Transit District	3,065,935	2,250,855
Village of Park Forest South	4,856	45,910
Village of Schiller Park	80,314	72,881
Village of Skokie	--	(44,368)
South Suburban Safeway Lines, Inc.	2,913,887	1,735,658
South West Interurban Fast Transit, Inc.	(5,037)	23,640
Suburban Transit Systems, Inc.	991,236	604,452
Waukegan North Chicago Transit Company	935,569	422,147
West Towns Bus Company	3,703,254	2,839,543
Wolff Bus Service, Inc.	17,868	--
Village of Wheeling	--	14,529
Village of Wilmette	150,721	110,597
Village of Woodridge	(23,543)	57,158
Village of Westmont	33,753	--
Worts Transit Services, Inc.	25,618	--
City of Geneva	5,352	--
Milton Township	1,716	--
	<u>\$ 16,105,331</u>	<u>\$ 11,163,453</u>
	<u>\$206,992,489</u>	<u>\$168,232,827</u>

The accompanying notes to financial statements are an integral part of this statement.

REGIONAL TRANSPORTATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1978

(1) AUTHORIZING LEGISLATION:

(a) Creation of the Regional Transportation Authority -

On March 19, 1974, upon a favorable vote at the referendum election held as provided by an Act of the 78th General Assembly of the State of Illinois, known as the Regional Transportation Authority Act (the "Act"), the Regional Transportation Authority (The "RTA"), an Illinois municipal corporation, was established for the purpose of insuring in the northeastern area of the State (the Counties of Cook, DuPage, Kane, Lake, McHenry and Will -- the "Area") adequate public transportation which is attractive and economical to users, comprehensive, coordinated among its various elements, economical, safe, efficient, and coordinated with Area and State plans. In creating the RTA, the Act recognized the grave financial condition of public transportation facilities and services in the Area and the necessity for additional commitments to the special transportation problems of the handicapped, the economically disadvantaged and the elderly.

(b) General Powers -

To accomplish its corporate purpose, the RTA is empowered to, among other things, determine the level, nature and kind of public transportation which should be provided for the Area. It may provide public transportation by purchasing such service from transportation agencies, by grants to such agencies or by operating such agencies itself. The RTA may also subject the operating and capital plans of such agencies to continuing review and audit. The RTA may, to meet its purposes, construct or acquire any public transportation facility for use by the RTA or for use by any such transportation agency. The RTA is the primary public body in the Area with authority to apply for and receive any grants, loans, or other funds relating to public transportation programs from the State and Federal governments.

(c) Public Transportation Fund -

The Act provides that an amount equal to 3/32 of the net sales tax collected in the Area and \$14 of each annual and \$7 of each semi-annual fee collected for the registration of motor vehicles in the City of Chicago shall be deposited in the State Public Transportation Fund. All monies deposited in the Public Transportation Fund are allocated to the RTA and may be expended by the RTA for its corporate purposes as described in the Act.

(d) Levy of Taxes -

The Act provides the RTA with the power to impose both motor fuel and motor vehicle parking taxes. The motor fuel tax may be imposed upon retailers and/or users of motor fuel for operation of motor vehicles upon public highways at a rate not to exceed 5%.

The motor vehicle parking tax may be imposed upon the privilege of parking motor vehicles at multiple vehicle parking facilities in the Area at which motor vehicles are permitted to park in return for a periodic fee.

On June 30, 1977, the Regional Transportation Authority Board of Directors enacted a 5% Public Transportation Tax on retail sales of motor fuel within the 6 county region. The RTA also imposed a companion Use Tax. Collection of these taxes commenced on December 1, 1977. The action of the RTA approving these taxes has been and continues to be the subject of litigation. A portion of this litigation has been settled and has indicated an outcome favorable to the RTA; however, certain of these suits are still pending and their outcome is not predictable at this time. It is the opinion of the RTA that the ultimate resolution of these suits will not affect the June 30, 1978 financial statements.

(e) Issuance of Bonds and Notes -

The RTA is further empowered to issue general obligation bonds and notes for various purposes as described in the Act. The aggregate principal amount of such bonds and notes issued and outstanding shall not, at any time, exceed \$500,000,000; the rate(s) of interest of any issue shall not exceed 8% per year and the date of maturity shall not exceed 40 years from date of issue.

On May 5, 1977, the RTA announced, pursuant to Section 4.04 of the Regional Transportation Act, its intention to negotiate for the sale of up to \$65,000,000 of its capital notes. Negotiations are proceeding with Continental Illinois National Bank as agent for a group of commercial banks for the sale of \$35,000,000 of such capital notes. It is anticipated that the proceeds of such borrowings would be used for capital expenditures.

(2) SIGNIFICANT ACCOUNTING POLICIES:

(a) Basis of Accounting -

The accounts of the RTA are maintained on the accrual basis of accounting. Under this method, the various sources of RTA revenues are recognized as follows:

- State Public Transportation Fund - recognized in the month the sales taxes and motor vehicle registration fees are realized by the State of Illinois.
- Public Transportation Tax - recognized in the month the Public Transportation Tax is collected by retailers of motor fuel.
- Federal Operating Assistance Grants (Section 5); other non-capital grants; and contributions from the City of Chicago and County of Cook - recognized in the period covered by the related grant or other agreement.
- Interest Income - recognized as earned over the term of the related investment.

Capital contributed under Federal and State Capital Assistance Grants is recognized as the related reimbursable costs are incurred.

In accounting for expenditures on the accrual basis, which may be referred to as the "incurred cost basis", the uses of funds or expenses are recognized at the time an authorized liability is incurred. This basis contrasts with the "cash basis" whereby sources and uses of funds are recognized solely at the time the funds are physically received and/or distributed. In addition, the accompanying Statement of Appropriations reflects encumbrances of funds against the fiscal year 1978 appropriations. Such encumbrances, which are represented by purchase orders and contracts executed prior to July 1, 1978, for which no liability or incurred cost had arisen as of June 30, 1978, are reflected on the Balance Sheet and Statement of Public Investment as amounts of accumulated net revenues appropriated for specific use.

(b) Obligations Under Emergency Public Transportation Loan Act of 1973 -

The RTA must repay certain amounts to the State of Illinois for funds disbursed by the State prior to the time the RTA began receiving funds from the Public Transportation Fund. To date, the RTA has repaid \$12,000,000 of the \$46,636,496 total amount to be repaid. The remaining amount \$34,636,496, which is to be repaid to the State by June 30, 1980, has been reflected on the accompanying balance sheet as an amount to be appropriated from future years' revenues and will be reflected in the Statement of Revenue and Expenses as these appropriations are made and the funds repaid to the State of Illinois.

At June 30, 1978, the RTA has segregated \$5,842,427 of short-term investments to be used as a possible sinking fund in the retirement of this debt. However, there

are no legal restrictions which would prevent the RTA from using this asset for ordinary and necessary purposes. Consequently, this \$5,842,427 has not yet been shown as an expenditure against the related appropriations nor has the interest earned on the original principal amount been shown as a separate class of income.

(3) PURCHASE OF SERVICE AGREEMENTS:

Through June 30, 1976, the RTA had executed purchase of service agreements with Burlington Northern, Inc., the Chicago, Milwaukee, St. Paul and Pacific Railroad Company and the Illinois Central Gulf Railroad Company. Under these agreements, the RTA has agreed to purchase the public transportation rail services provided by the respective railroads during the period from July 1, 1975 through June 30, 1978. Among other things, the agreements provide for a base compensation rate plus incentive compensation based upon certain service performance and ridership standards. The agreements further provide for annual adjustment of the base compensation rates and allow other base compensation adjustments in the event of service changes, fare changes, or the occurrence of certain other events described in the agreements. Subject to certain conditions, the RTA is empowered to govern performance standards, service changes and customer fares and charges of the respective railroads under the agreements.

On April 10, 1978, March 10, 1978 and March 10, 1978 respectively, amendments extending the agreements have been signed with Burlington Northern, Inc., the Chicago, Milwaukee, St. Paul and Pacific Railroad Company and the Illinois Central Gulf Railroad Company through June 30, 1981.

During the year ended June 30, 1978 and the year ended June 30, 1977, the RTA provided base compensation in the amount of \$6,610,000 and \$5,028,000; \$6,950,000 and \$5,612,000 and \$14,000,000 and \$11,418,000 as well as incentive compensation to Burlington Northern, Inc., the Chicago, Milwaukee, St. Paul & Pacific Railroad Company and the Illinois Central Gulf Railroad Company, respectively. The base compensation rates for the year ending June 30, 1979 had been adjusted to \$8,850,000, \$9,550,000 and \$17,600,000 for the respective railroads.

On October 8, 1976, the RTA executed a purchase of service agreement with Chicago, Rock Island and Pacific Railroad Company similar to the agreement described above. The agreement covered the period from July 1, 1976 to June 30, 1977 and provided base compensation for the year ended June 30, 1977, in the amount of \$5,954,000. Effective October 1977, this agreement was extended through December 31, 1977. The RTA negotiated an extension



through June 30, 1978, providing a base compensation rate for the year ended June 30, 1978 of \$8,100,000. Negotiations are proceeding on an extension of this agreement. The base compensation for the year ending June 30, 1979 is estimated at \$9,300,000 assuming that the current agreement is extended.

In December 1976, the RTA executed a similar purchase of service agreement with the Chicago and North Western Transportation Company covering the period from July 1, 1975 through June 30, 1979. Under this agreement, base compensation was provided by the RTA for the years ended June 30, 1977 and June 30, 1978 in the amounts of \$6,613,000 and \$8,266,000, respectively. The base compensation rate under this agreement has been adjusted to \$10,100,000 for the year ending June 30, 1979.

(4) FEDERAL AND STATE GOVERNMENT GRANTS:

Under the National Mass Transportation Assistance Act of 1974, funds were authorized by the Federal Government for grants which may be used by the recipients for either capital or operating assistance for fiscal years 1975 through 1980. The RTA Area encompasses three urbanized areas (as defined) under this Act and the RTA took necessary steps to establish itself as the recipient for these funds. A total of approximately \$251,000,000 should be available to the RTA under this program. Through the year ended June 30, 1978, the RTA has received \$147,105,928 of such operating assistance funds, and accrued a balance of \$1,141,149 at year end. The Operating Assistance Grant Contract specifies that all records with regard to the grant are subject to audit by the Federal Government.

As of June 30, 1978, the RTA had received approval from UMTA for capital grants totaling \$132.8 million. Those grants, if approved in their present form by all applicable agencies, will be funded by UMTA -- \$106.3 million, IDOT -- \$17.2 million, and RTA -- \$9.3 million. In addition, the RTA received an IDOT amendment in July 1978 approving an additional \$1.0 million in funds from the agency. The grants are for the acquisition of new railroad rolling stock and fixed facilities, acquisition of buses and rehabilitation of bus and rapid transit facilities and equipment.

In addition, carriers in the region have received approval for capital grants totaling \$126.6 million of which the RTA will provide \$7.8 million for local share.

The RTA has pending with UMTA and IDOT applications for capital grants to provide for other transportation projects having a total estimated cost of \$190.0 million.

Through June 30, 1978, costs incurred for the above capital grant projects were approximately \$72.4 million. In addition, commitments in the amount of approximately \$49.3 million had been made for such projects as of that date.

The capital grant agreements specify that all expenditures covered by the grants are subject to final audit and approval by the respective grantor governmental agencies. The agreements further specify that the RTA must provide funds which, together with the Federal and State grants, shall be sufficient to assure completion of the grant projects.

(5) CONTRIBUTIONS FROM CITY OF CHICAGO AND COUNTY OF COOK:

The Regional Transportation Authority Act provides that the RTA "...shall not ...make any financial grant for any fiscal year of the Authority (RTA) to the Chicago Transit Authority unless a unit or units of local government in Cook County (other than the Chicago Transit Authority) enters or enter into an agreement with the Authority (RTA) to make a monetary contribution for such year of at least \$5,000,000 for public transportation...." The RTA has entered into an agreement with the City of Chicago and County of Cook under which these governmental units have contributed \$3,000,000 and \$2,000,000, respectively, to the RTA for the period ended June 30, 1978. These amounts are included in revenues.

(6) PENDING LITIGATION:

In addition to litigation relating to the Public Transportation Tax described in Note 1, the RTA is currently a defendant in certain lawsuits which, among other things, challenge the legality of certain of its actions and complain of discrimination against certain potential patrons of public transportation facilities. The outcome of these suits is not predictable at this time. It is the opinion of the RTA that the ultimate resolution of these suits will not affect the June 30, 1978 financial statements.

(7) LEASES OF TRANSPORTATION EQUIPMENT:

159 buses purchased by the RTA under Federal and State grant agreements have been leased to various suburban bus companies. These annual leases provide for nominal rental payments.

On September 16, 1977 and November 7, 1977, the RTA entered into lease agreements with William M. Gibbons, Trustee for the Chicago, Rock Island and Pacific Railroad Company and the Chicago, Milwaukee, St. Paul and Pacific Railroad Company respectively. Both agreements provide for the lease of locomotives for a period of twenty years at a fee of \$1.00 per year. During the term of the lease, each railroad is responsible for maintenance of the units. Upon delivery of each unit, the parties must execute a supplementary agreement governing the individual unit. As of June 30, 1978, the railroads were using seventeen and seven units respectively.

On December 13, 1977, the RTA purchased from and leased to the Chicago and North Western Transportation Company 46 locomotives and 264 rail passenger cars. The lease provides for use of these vehicles for periods equal to their estimated remaining useful lives for a fee of \$1.00 per year per vehicle. During the term of the lease, the railroad is responsible for maintenance of each vehicle. In the event that capital improvements are made to any vehicle, the parties have agreed to enter into an amended lease agreement for the increased estimated useful life.

In addition, on October 6, 1977, the RTA entered into a lease agreement with the Chicago and North Western Transportation Company. The agreement provides for the lease of locomotives for a period of two years from the date of delivery of such equipment to the railroad for a fee of \$1.00 per year per unit. During the term of the lease, the railroad is responsible for maintenance of the units. Upon delivery of each unit, a supplementary agreement must be executed by the parties covering such unit. As of June 30, 1978, four such agreements had been executed.

On September 16, 1977, the RTA entered into a lease agreement with William M. Gibbons, Trustee for the Chicago, Rock Island and Pacific Railroad Company. That Agreement provides for the lease of rail passenger vehicles for a period of twenty years at a fee of \$1.00 per year per vehicle. During the term of the lease, the railroad is responsible for maintenance of the units. Upon delivery of each unit, the parties must execute a supplementary agreement governing the individual unit. As of June 30, 1978, the railroad was using eighteen such units.

On various dates during the fiscal year ending June 30, 1978, the RTA entered into agreements with William M. Gibbons, Trustee for the Chicago, Rock Island and Pacific Railroad Company, the Chicago and North Western Transportation Company, the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, the Illinois Central Gulf Railroad Company and the Burlington Northern, Inc., for the construction and lease of various fixed transportation facilities. These agreements provide for a fee of \$1.00 per year for the use of these facilities. The railroads have agreed to maintain these facilities subject to their best efforts to generate revenues sufficient to perform such maintenance.

(8) PENSION PLAN:

On April 14, 1977, the Regional Transportation Authority Board of Directors adopted a non-contributory pension plan for all RTA employees. As of June 30, 1978 the trustees of the plan have been appointed and an actuary has been selected. The plan has been approved by the Internal Revenue Service on the condition that certain amendments are included in the plan. Those amendments have been adopted by the RTA. A plan administrator has not yet been selected. For the years ended June 30, 1977 and June 30, 1978, the RTA accrued an estimate of \$450,000 and \$600,000 respectively, under the plan. Past service costs, prior service costs, pre-Authority employment service costs, and vested benefits have not yet been determined.

(9) SUBSEQUENT FINANCING:

To provide needed working capital, on July 21, 1978 the RTA negotiated a \$20,000,000 bank loan with a group of commercial banks headed by the Continental Illinois National Bank as agent. The loan bears interest at 80% of the agent's 90-day prime rate, but is limited at 8% maximum. This loan must be repaid on or before April 1, 1979. The other members of the group are the Harris Trust and Savings Bank, the Amalgamated Bank, Morgan Guaranty Trust Company and LaSalle National Bank.

The loan agreement provides for a debt service fund into which certain receipts of the RTA must be deposited. After such deposit, those funds are available for the general purposes of the RTA until February 28, 1979 at which time the loan repayment must be funded in equal monthly installments.

REGIONAL TRANSPORTATION AUTHORITY

STATEMENT OF APPROPRIATIONS

FOR THE YEAR ENDED JUNE 30, 1978

Sources of Operating Funds Available

Estimated in
Appropriation
Ordinance

No. 77-172 as Amended

	<u>Description</u>	<u>Actual</u>
\$123,600,000	From Public Transportation Fund	\$126,757,184
55,000,000	From proceeds of Gasoline Sales Tax	43,536,133
48,890,000	From Urban Mass Transportation Administration Section 5 grant funds	49,290,213
550,000	From Urban Mass Transportation Section 6 demonstration grants	--
1,028,000	From Urban Mass Transportation Administration Section 9 grants and other grants made available	869,325
70,000	From income on temporary investments and other	1,464,129
5,000,000	From the City of Chicago and County of Cook	5,000,000
99,000	From farebox revenues	26,847
309,000	From special fare reimbursements	--
<u>9,442,000</u>	From the estimated funds available at the beginning of the fiscal year/period	<u>15,153,542</u>
<u>\$243,988,000</u>	Total Operating Funds Available	<u>\$242,097,373</u>

STATEMENT OF APPROPRIATIONS
FOR THE YEAR ENDED JUNE 30, 1978

Estimated in
Appropriation
Ordinance
No. 77-172 as Amended

Sources of Capital Funds Available

	<u>Description</u>	<u>Actual</u>
\$373,336,000	From Urban Mass Transportation Administration Section 3 capital grant funds	\$ 43,307,729
62,234,000	From Illinois Department of Transportation Section 3 matching funds	7,253,117
<u>49,708,000</u>	From Bond proceeds and other Authority funding sources, including operating surplus	--
<u>\$485,278,000</u>	Total Capital Funds Available	<u>\$ 50,560,846</u>

Sources of Working Funds Available

\$ <u>20,000,000</u>	From Short-term borrowings	\$ <u>20,000,000</u>
<u>\$749,266,000</u>	Total funds available for fiscal period expenditures for operations, capital projects, and working funds	<u>\$312,658,219</u>

Per
Appropriation
Ordinance
No. 172 as Amended

EXPENSES AND OBLIGATIONS

Description

Actual

FOR ADMINISTRATION:

EXPENDITURES

ENCUMBRANCES

TOTAL

\$ 200,000	Board compensation	\$ 164,200	\$ --	\$ 164,200
6,468,000	Wages and salaries and fringe benefits	5,019,467	--	5,019,467
2,394,500	Professional and technical services (including legal, audit, engineering, financial and other consulting)	705,340	197,944	903,284
438,200	Office rental	438,173	--	438,173
255,100	Furniture, fixtures and equipment purchases and lease (including \$33,976 of fixed assets purchased during the year and capitalized; excludes depreciation)	190,048	25,993	216,041
245,100	Telephone and utilities (including installation)	207,013	--	207,013
278,000	Travel, business and related expenses	156,412	28,408	184,820
839,100	Office supplies, postage, dues, subscriptions and public hearings and information	411,865	30,954	442,819
(125,000)	Amount to be recovered as part of capital grant	--	--	--
\$ 10,993,000	Total administration	\$ 7,292,518	\$ 283,299	\$ 7,575,817
	FOR FINANCIAL ASSISTANCE TO CARRIERS:			
\$140,000,000	Continued financial assistance to the Chicago Transit Authority	\$138,550,346	\$ --	\$138,550,346

Description		Actual		
Per				
Appropriations	FOR FINANCIAL ASSISTANCE TO CARRIERS: (continued)			
Finance	Continued financial assistance to			
No. 77-172 as Amended	suburban bus companies used for -	Expenditures	Encumbrances	Total
\$	534,000	\$ 526,820	\$ --	\$ 526,820
	50,665	48,203	--	48,203
	562,500	446,313	--	446,313
	72,592	61,355	--	61,355
	918,185	857,414	--	857,414
	32,370	29,988	--	29,988
	62,684	36,932	--	36,932
	254,228	254,228	--	254,228
	38,538	38,538	--	38,538
	1,220,313	1,220,313	--	1,220,313
	130,252	130,252	--	130,252
	52,097	52,097	--	52,097
	19,330	15,042	--	15,042
	3,269,408	2,888,234	--	2,888,234
	20,254	20,254	--	20,254
	73,519	80,314	--	80,314
	2,595,752	2,498,889	--	2,498,889
	19,300	19,300	--	19,300
	548,193	509,606	--	509,606
	530,000	529,868	--	529,868
	35,520	33,753	--	33,753
	3,178,000	3,055,526	--	3,055,526
	169,766	144,565	--	144,565
	6,700	6,700	--	6,700
\$14,394,166	Continued financial assistance for commuter service on seven railroad lines used for -	\$13,504,504	\$ --	\$13,504,504
	Burlington Northern, Inc.	\$ 6,893,592	\$ --	\$ 6,893,592
	Chicago and North Western Transpor- tation Company	8,906,233	--	8,906,233
	Chicago, Milwaukee, St. Paul, & Pacific Railroad Company	7,765,883	28,822	7,794,705
	Chicago, Rock Island and Pacific Rail- road Company	8,354,553	--	8,354,553
	Chicago, South Shore & South Bend Rail- road Company	564,162	--	564,162
	Illinois Central Gulf Railroad Company	14,204,481	--	14,204,481
	Norfolk & Western Railway Company	244,020	--	244,020
\$47,500,000		\$46,932,924	\$ 28,822	\$ 46,961,746

Per
Appropriations
Ordinance

77-172 as Amended

Actual

	Description	EXPENDITURES	ENCUMBRANCES	TOTAL
\$ 249,726	Prior Year Service	\$ (36,080)	\$ --	\$ (36,080)
314,000	Centralized Operations	263,050	1,652	264,702
150,000	Unified Work Program	--	--	--
	FOR NEW TRANSIT PROGRAMS:			
3,090,000	New Bus Service	2,514,185	575,680	3,089,865
1,000,000	Service Development/Demonstration	43,680	--	43,680
1,403,000	New Rail Service	1,252,643	--	1,252,643
1,510,000	Travel Information Center	1,285,715	62,317	1,348,032
1,955,000	Promotional Programs	1,706,138	245,868	1,952,006
4,327,000	Fare Program	3,864,178	--	3,864,178
	Additional Suburban Bus, Rail, Paratransit and Fare Programs	305,160	757,626	1,062,786
3,811,900				
\$ 17,810,626		\$ 11,198,669	\$ 1,643,143	\$ 12,841,812
	FOR DEBT REPAYMENT PROGRAM:			
\$ 8,822,000	State of Illinois Loan	\$ --	\$ --	\$ --
1,660,000	Short-term interest	906,645	--	906,645
330,000	Debt Service	--	--	--
\$ 10,812,000		\$ 906,645	\$ --	\$ 906,645
\$241,509,792	Total Operating Expenses	\$218,385,606	\$ 1,955,264	\$220,340,870
	CAPITAL EXPENDITURES AND OBLIGATIONS:			
\$485,278,000	FOR CAPITAL PROGRAMS	\$ 33,749,792	\$43,775,114	\$ 77,524,906
	WORKING CASH LOAN:			
\$ 20,000,000	FOR REPAYMENT OF WORKING FUNDS	\$ 20,000,000	\$ --	\$ 20,000,000
	Total expenditures/encumbrances under Appropriation Ordinance 77-172 as amended	\$272,135,398	\$45,730,378	\$317,865,776

SUMMARY

Total available, per page 2	\$312,658,219
Less:	
Total expenditures/encumbrances under Appropriation Ordinance 77-172 as amended.	<u>317,865,776</u>
Unappropriated and Available	\$ <u>(5,207,557)</u>

RTA FINANCIAL RESULTS AND OPERATING DATA FOR FUNDED CARRIERS

(UNAUDITED)

Pursuant to Section 4.05 of the Regional Transportation Authority Act, the RTA herewith presents the operating results of those transportation agencies having purchase of service or financial assistance agreements with the Authority during Fiscal Year 1978. These operating results are as supplied by the transportation agencies and though unaudited as of September 22, 1978, are subject to audit subsequently, in accordance with contractual funding agreements.

Carrier	Total Revenue	Total Expense	Total Deficit	Revenue Passenger	Subsidy/ Passenger	Revenue/ Passenger
Burlington Northern, Inc.	\$12,801,231	\$20,104,973	\$ 7,303,742	12,740,089	.5742	1.0047
Chicago, Milwaukee, St. Paul and Pacific Railroad Company	11,024,786	17,146,819	6,122,033	9,444,575	.9012	1.1673
Chicago and Northwestern Transpor- tation Company	29,063,000	31,116,000	4,073,000	27,163,544	.3452	1.0621
Chicago, Rock Island and Pacific Railroad Company	NA	NA	NA	NA	NA	NA
Chicago, South Shore and South Bend Railroad	2,460,407	5,082,719	3,222,312	1,603,895	.3528	1.6587
Illinois Central Gulf Railroad Company	13,609,000	27,733,000	14,124,000	14,699,903	.9951	.9257
Norfolk & Western Railway Company	NA	NA	NA	561,914	.8749	NA
Chicago Transit Authority	212,782,326	351,371,561	138,589,235	646,000,000	.2109	.3296

RTA FINANCIAL RESULTS AND OPERATING DATA FOR FUNDED CARRIERS
(UNAUDITED)

Carrier	Total Revenue	Total Expense	Total Deficit	Revenue Passengers	Subsidy/Passenger	Revenue/Passenger
Aurora	\$ 326,806	\$ 962,985	\$ 636,179	1,183,383	.5376	.2762
Bennettville	6,034	35,585	29,551	11,236	2.6300	.5330
Bellingbrook	29,012	92,816	63,804	84,018	2.7594	.3455
CBS	13,989	255,619	221,630	107,764	2.0566	.3154
Confidential Air	2,288	16,590	14,302	2,622	5.4546	.8726
Edgemoor	130,726	842,281	511,555	1,211,501	.4222	.2730
Evansville	35,711	111,210	75,499	120,132	.6253	.2958
Glendale Heights	1,222,413	2,079,827	857,414	2,550,252	.3352	.4778
Glen Ellyn	33,417	69,772	36,355	114,700	.2699	.2681
Homewood	56,583	91,515	34,932	72,306	.5108	.7569
Jefferson Park	69,615	123,861	54,246	200,492	1.2680	.3672
Jefferson	11,869	50,407	38,538	26,498	1.4634	.4445
Jefferson	148,110	1,579,132	1,431,022	1,102,591	.9451	.2672
Jefferson	87,756	217,606	129,850	284,478	.2667	.1084
Jefferson	120,000	172,097	52,097	400,000	1.302	.3000
Jefferson	12,002	77,125	65,123	18,752	.3002	.1118
Jefferson	2,742,553	5,122,176	2,379,623	5,612,218	.5607	.1996
Jefferson	61,875	82,129	20,254	25,295	.8007	.2461
Jefferson	16,463	96,757	80,294	1,671	1.6381	.1500
Jefferson	2,555,024	5,490,510	2,935,486	109,619	.2727	.4898
Jefferson	870,804	1,916,435	1,045,631	5,716,629	.5627	.6462
Jefferson	59,000	78,100	19,100	1,938,171	.5246	.1732
Jefferson	224,606	1,101,964	877,358	16,060	.5669	.4214
Jefferson	33,268	67,061	33,793	530,619	1.6532	.1641
Jefferson	2,730,854	6,425,076	3,694,222	91,615	.4000	.6400
Jefferson	170,933	115,498	55,435	6,207,046	.2046	.2537
Jefferson	1,760	10,400	8,640	671,678	.3412	.3000
Jefferson	1,103	21,171	20,068	12,111	.5412	.1954
Jefferson	474	26,092	25,618	NA	10.5598	.4145
Total Suburban Bus Service	\$11,705,468	\$27,905,569	\$16,200,101	28,234,855	.5737	

NA Indicates Information Not Available

(UNAUDITED)

In accordance with Section 4.01 of the Regional Transportation Authority Act and the Method of Allocation adopted by Ordinance 78-141, the RTA herewith presents its allocation by Transportation Area of the RTA's expenses and restricted revenues for the Fiscal Year ending June 30, 1978.

ALLOCATION OF RTA'S FISCAL YEAR 1978 RESTRICTED REVENUES

RESTRICTED REVENUES:	Action FY 78 Amount	City of Chicago	Cook County	DuPage County	Kane County	Lake County	Mchenry County	Will County
Good Use Sales Tax	\$64,546,144	\$12,161,669	\$17,460,381	\$5,019,420	\$2,069,124	\$1,041,001	\$1,009,876	\$2,411,862
RTA Section 5	49,290,211	12,244,974	11,119,711	2,215,529	1,704,458	1,131,135		905,406
RTA Section 6								
RTA Section 9 and Other County	869,425	597,052	191,118	37,181	9,102	18,143	4,147	11,562
Investment Income	1,464,129	1,005,564	122,255	62,958	15,666	10,891	7,321	19,472
Total Government In Cook County	5,000,000	4,225,717	774,264					
Franchise Revenue	26,867		8,295	17,614			590	
Special Fare Reductions								
TOTAL RESTRICTED REVENUES	\$100,186,467	\$50,240,996	\$30,226,664	\$7,153,122	\$1,779,078	\$6,221,172	\$1,022,114	\$3,166,102
SUBTRACT: COSTS OF SERVICES PROVIDED	220,360,870	151,310,554	68,469,158	9,476,214	2,168,094	4,656,311	1,109,913	2,922,627
SUBTRACT: RTA'S SHARE OF TRANSPORTATION FACILITIES PROVIDED	6,961,864	1,464,262	1,011,980	1,002,965	191,650	620,606	190,259	111,162
EXCESS (DEFICIENCY) OF RESTRICTED REVENUES USED TO FULLY COSTS OF FACILITIES AND SERVICES PROVIDED	\$127,116,087	\$102,596,817	\$21,266,699	\$1,275,857	\$1,092,114	\$1,055,567	\$270,018	\$127,511

ALLOCATION OF RTA'S FY78 EXPENSES AND OBLIGATIONS
(UNAUDITED)

<u>ALL SERVICES PROVIDED</u>	<u>Actual FY 78 Amount</u>	<u>City of Chicago</u>	<u>Cook Suburbs</u>	<u>DuPage County</u>	<u>Kane County</u>	<u>Lake County</u>	<u>McHenry County</u>	<u>Will County</u>
Administration	\$ 7,575,817	\$ 5,203,071	\$ 1,667,437	\$ 325,760	\$ 81,061	\$ 159,850	\$ 37,879	\$ 100,759
Centralized Operations	264,702		191,634	17,759	17,534	14,375		23,400
Chicago Transit Authority	138,550,346	124,695,311	13,855,035					
Suburban Bus	13,504,504		9,217,155	1,228,822	879,833	870,653		1,308,041
Commuter Railroads	46,961,746	15,908,506	18,478,804	6,691,400	921,616	2,811,223	867,493	1,282,704
Prior Year Service	(36,080)	81,707	(3,030)	(42,211)	(71,123)	52,079		(53,502)
New Bus Service	3,089,865	4,784	1,833,008	384,073	295,111	302,308	131,156	139,425
Service Development	43,680		41,964	1,716				
New Rail Service	1,252,643	344,858	415,000	280,128	45,263	152,641	9,251	5,502
Travel Information Center	1,548,032	925,828	296,702	57,965	14,424	28,444	6,740	17,929
Promotional	1,952,006	1,340,638	429,637	83,936	20,886	41,187	9,760	25,962
Fare Program	3,864,178	2,211,164	1,312,346	181,326	23,084	83,980	43,101	9,177
Additional Suburban Bus, Rail, Etc.	1,062,786		553,913	226,554	110,704	120,443		51,172
Short Term Interest	906,645	622,684	199,553	38,986	9,701	19,130	4,533	12,058
TOTAL SERVICES PROVIDED	\$220,340,870	\$151,338,551	\$48,489,158	\$9,476,214	\$2,348,094	\$4,656,313	\$1,109,913	\$2,922,627



